


# TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

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August 27, 2009

TO: Internal File

THRU: Dave Darby, Team Lead  09/09/09

FROM: Priscilla Burton, CPSSc, Environmental Scientist, III. *PWB by SAS*

RE: Updated Officers and Directors, Horizon Mine, C/007/0020, Hidden Splendor Resources, Inc., Task ID #3354.

## SUMMARY:

Hidden Splendor Resources, Inc provided revisions of ownership and control information (pages 2-2, 2-2A, 2-3, and 2-5 of the MRP) on July 20, 2009. The information was signed by Alexander Walker, III, Secretary of America West, and notarized on June 30, 2009. Dan Baker, who is an authorized officer of America West Resources, Inc. signed the C1C2 form. This information was previously requested under Task 3076 and Task 3110 and all previously identified deficiencies have been addressed by this amendment to the MRP.

As written, page 2-5, cannot be incorporated into the MRP without losing the first sentence of the last paragraph on the page, which begins "Horizon Mine was issued a Right-of-Way SL 063011...." Hence, if page 2-5 as written were to be incorporated into the MRP, the narrative would not continue smoothly onto page 2-6.

Conditional approval should be issued, based upon the receipt of clean copies, correctly formatted so that the narrative on page 2-5 continues smoothly onto page 2-6.

Since we began this process of updating the legal/financial information with Hidden Splendor, we received 2009 Incoming document 0009.pdf from the BLM, which is a modification of Lease UTU-74804. The Permittee should include a copy of this lease modification with each of the clean copies and with instructions on the C2 form for the lease modification to be included in App. 2-3.

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TECHNICAL MEMO

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**TECHNICAL ANALYSIS:**

**GENERAL CONTENTS**

**IDENTIFICATION OF INTERESTS**

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

**Analysis:**

Hidden Splendor Resources, Inc., a Nevada corporation, is the Applicant and Operator of the Horizon Mine (Sec. 112.200 and Section 112.400). Employer I.D. was provided on page 2-2. The President, Secretary, Director and Resident Agent of Hidden Splendor Resources, Inc is Alexander Walker, III. The contact address and phone number for Hidden Splendor's Salt Lake City office is provided. End dates of previous officers are provided on page 2-2A.

Hidden Splendor Resources, Inc. is wholly owned by America West Resources, Inc. (p. 2-3). The Officers and Directors of America West Resources, Inc. (AWRI) are stated in Section 112.300, pg. 2-2A. The information is attested to by Alexander Walker III, Secretary and was notarized. AWRI is the sole owner of Hidden Splendor Resources, Inc. (Section 112.400). The telephone number and federal Identification Number of AWRI is provided on page 2-2A.

Section 112.200 provides the name and telephone number of the person who will be responsible (but not liable) for payment of the abandoned mine fee.

A statement declaring that AWRI holds the Columbia exploration well permit, X/007/0044 is included in Section 112.300 on page 2-2.

**Findings:**

The information provided meets the requirements of the Utah Coal Rules.

**VIOLATION INFORMATION**

Regulatory Reference: 30 CFR 773.15(b); 30 CFR 773.23; 30 CFR 778.14; R645-300-132; R645-301-113

**Analysis:**

Section 113 provides a statement that the owners and controllers of Hidden Splendor Resources, Inc. and America West Resources, Inc. have not had a mining permit suspended nor

had a bond forfeited in the last five years. Section 113 states that there have been no violations at the Horizon Mine [in the last three years].

**Findings:**

The information provided meets the requirements of the Utah Coal Mining Rules.

**RIGHT OF ENTRY**

Regulatory Reference: 30 CFR 778.15; R645-301-114

**Analysis:**

Hidden Splendor acquired ownership of the Horizon Mine through bankruptcy of the former owner (Lodestar) is described in Section 114, p. 2-5. Right of Entry to federal coal is given by lease UTU-74804, issued in 1998 (App. 2-3). The BLM provided the Division with a copy of correspondence modifying Lease UTU-74804 on March 10, 2009 (0070020/2009/Incoming/0009.pdf).

Page 2-5 as written cannot be incorporated into the MRP without losing the first sentence of the last paragraph on the page, which begins "Horizon Mine was issued a Right-of-Way SL 063011...." Hence, if page 2-5 as written were to be incorporated into the MRP, the narrative would not continue smoothly onto page 2-6.

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**Findings:**

Conditional approval should be issued, based upon the receipt of clean copies, correctly formatted so that the narrative on page 2-5 continues smoothly onto page 2-6.

The Division should incorporate 2009 Incoming document 0009.pdf into Appendix 2-3 with approval of this amendment.

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**RECOMMENDATIONS:**

Conditional approval, based upon the receipt of clean copies should be issued. When received, all page changes, along with 2009 Incoming document 0009.pdf should be approved and incorporated into the MRP.

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